Unemployment rate remains at 3.5% in December

Media Release

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Source: Labour Force, Australia, December 2022

The seasonally adjusted unemployment rate remained at 3.5 per cent in December, in line with the updated figure for November, according to data released today by the Australian Bureau of Statistics (ABS).

Lauren Ford, head of labour statistics at the ABS, said: "With employment decreasing by around 15,000 people, and the number of unemployed increasing by 6,000 people, the unemployment rate remained steady at 3.5 per cent."

"The seasonally adjusted participation rate fell 0.2 percentage points to 66.6 per cent in December, back to around where it was in October. Despite this slight fall from its historic high, it finished the year 0.8 percentage points higher than its pre-pandemic level," Ms Ford said.

Employment and hours worked

Seasonally adjusted employment decreased by 15,000 people (0.1 per cent) in December 2022, following an increase of 58,000 people in November and average monthly growth of around 40,000 people between August and November 2022.

The employment to population ratio also decreased, down 0.2 percentage points to 64.3 per cent. In historic terms, it continued to remain elevated, 1.9 percentage points above the pre-pandemic level.

Seasonally adjusted monthly hours worked decreased by 0.5 per cent for the second consecutive month, following the peak in October.

"The falls in employment and hours worked in December followed strong growth through

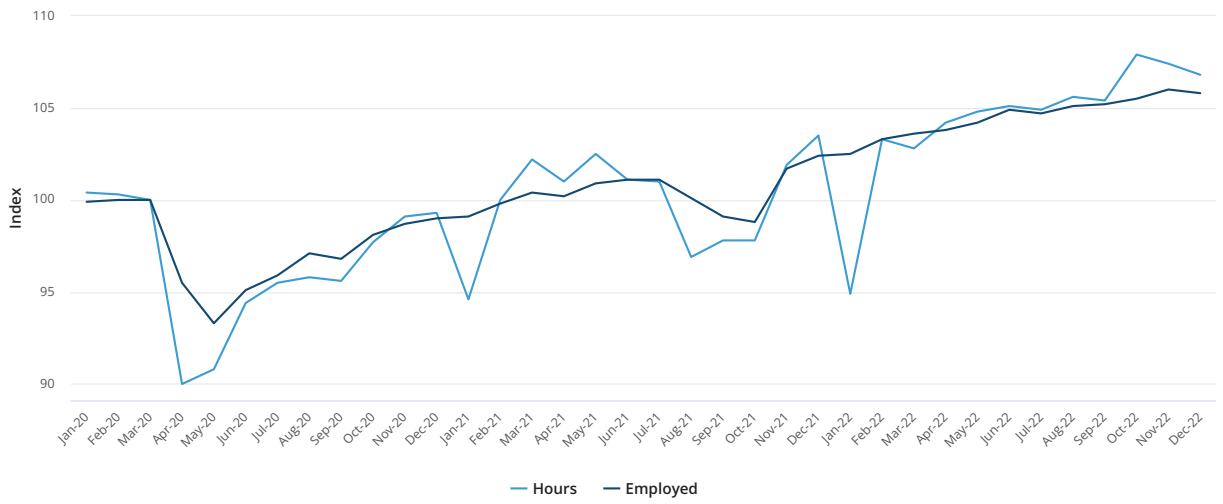
2022, with an annual employment growth rate of 3.4 per cent and hours worked increasing by 3.2 per cent.

"The strong employment growth through 2022, along with high participation and low unemployment, continues to reflect a tight labour market," Ms Ford said.

Even though hours worked grew during 2022, there continued to be more people than usual working reduced hours due to illness.

"In December, we saw the number of people working reduced hours due to illness increasing by 86,000 to 606,000, which is over 50 per cent higher than we would usually see at this time of the year," Ms Ford said.

Seasonally adjusted employment and hours worked, indexed to March 2020



Source: Labour Force, Australia Tables 1 and 19

Underemployment and underutilisation

The seasonally adjusted underemployment rate rose 0.2 percentage points to 6.1 per cent,

2.7 percentage points below the pre-pandemic rate.

The underutilisation rate, which combines the unemployment and underemployment rates, rose 0.3 percentage points to 9.6 per cent in seasonally adjusted terms. This was 4.4 percentage points below March 2020.

Underlying trend data

Trend employment increased by 27,000 people (0.2 per cent) in December 2022, and trend monthly hours worked increased 0.3 per cent. These reflected a continuation of the pace of underlying growth in employment and hours worked seen during much of 2022.

"The monthly trend employment increase of 0.19 per cent in December was slightly above the average rate we saw in the 20 years before the pandemic, of around 0.16 per cent per month.

"The growth rate in December was around half of what it was for the first half of 2022 (an average of 0.37 per cent per month), and also slightly below the average for the second half of 2022 (0.21 per cent). This shows the strong employment growth had moderated through the year, but was still above the long-term average," Ms Ford said.

The trend unemployment rate remained steady at 3.5 per cent and the underemployment rate remained steady at 6.0 per cent.

The trend participation rate remained steady at 66.7 per cent.

Today's release includes articles on additional analysis of hours worked and historical charts back to 1966.

Further information, including regional labour market information, will be available in the upcoming December 2022 issue of Labour Force, Australia, Detailed, due for release on Wednesday 25 January 2023.

The ABS would like to thank Australians for their continued support in responding to our surveys.

Media notes

- The December survey reference period was from 27 November to 10 December 2022. The January survey reference period is from 1 January to 14 January 2023.
- To learn more about our different labour measures, their purpose and how to use them, see our new Guide to labour statistics (/statistics/understanding-statistics/guide-labour-statistics) . It provides summary information on labour market topics

including Industry employment (/statistics/understanding-statistics/guide-labour-statistics/industry-employment-guide) data.

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